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ABSTRACT

Factors affecting fund raising potential and effectiveness at 575 higher education institutions were investigated, based on fund raising information reported to the Council for Financial Aid to Education for the years 1982-1983, 1983-1984, and 1984-1985. The following types of public and private colleges were studied separately: research, doctoral, comprehensive, baccalaureate, and two-year. Attention was directed to the 3-year average for gifts from foundations and corporations, alumni, and other individuals, as well as endowment funds, the institutional budget, expenditures, and other institutional characteristics. Endowment and educational and general expenditures were the institutional characteristics most highly correlated with total voluntary support. Private institutions in each type, on the average, reached higher levels of total gifts and gifts from major donor groups, with one exception (corporation gifts for public research universities). Alumni gifts were most highly correlated with endowment, expenditures per student, educational and general expenditures, and admissions selectivity. Findings for the other donor groups are reported, along with the results of a mail survey concerning fund-raising expenditures and staff. Five tables, eight figures and a 13-item reference list are included. (SW)

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# CORRELATES OF FUND RAISING OUTCOMES FOR FOUR DONOR GROUPS

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## Correlates of Fund Raising Outcomes for Four Donor Groups

### INTRODUCTION

At a time when demands for accountability and performance in fund raising are highest, practitioners and administrators are without research-generated knowledge to drive and support their efforts. Research in fund raising is necessary to ensure:

1. the development of a specialized, empirically-based body of knowledge, theory, and practice to further the professionalism of institutional advancement and to test traditional assumptions and beliefs;

2. the establishment of standards and rationales to inform decision making and evaluation in fund raising planning and resource allocation;

3. the integration of experience-based and research-based inference and knowledge; and

4. the demonstration to all constituencies, including donors, that the management of fund raising resources is effective and efficient.

Practical experience and the literature indicate that fund raising outcomes are affected by at least four factors: (a) institutional characteristics, (b) fund raising expenditures, (c) fund raising methods, and (d) donor/market characteristics. Research is in progress to develop conceptual and empirical models for understanding and evaluating fund raising potential and effectiveness for four major donor groups across diverse types of higher education institutions. This

research, which was begun in November, 1986 and will be completed in late 1987, explores the first three major factors and provides a foundation for the study of the fourth. The objectives of the study are to:

1. identify and quantify the multiple factors affecting fund raising potential and effectiveness in higher education institutions, overall and for major donor groups;

2. construct conceptual and quantitative models of fund raising potential and effectiveness which account for the relative influence of specific multiple factors;

3. identify "institutions of interest" from those in which fund raising outcomes exceed/fall below the predicted outcome;

4. describe general fund raising practices for major donor groups in institutions of interest;

5. revise quantitative and conceptual models to include variables related to fund raising practices;

6. develop practical methodologies for identifying appropriate peer groups for comparative evaluation of fund raising practices and outcomes; and

7. make recommendations for policy regarding planning, resource allocation, operations, and evaluation of fund raising practices and outcomes, overall, and for major donor groups.

This study builds on research by J. Leslie (1969, 1971, 1977) and Pickett (1977) which established the concept of fund raising potential as an essential variable in the evaluation of effectiveness, and that of L. Leslie and Ramey (1985), which identified the differential relationships between institutional characteristics and separate donor groups. The design of this study was influenced by Paton's (1985)

concerns regarding limitations of earlier research on fund raising effectiveness. These concerns were (a) "inappropriate aggregation" in which total voluntary support (rather than totals for separate donor groups) is examined in relation to institutional characteristics and fund raising expenditures, and (b) "inadequate control" in which the impacts of institutional characteristics and expenditures have been studied separately.

This paper is an interim report which includes descriptions of the overall methodology and study group, definitions of variables, and findings to date. These findings are limited to analyses of relationships among institutional characteristics, resources for fund raising, and fund raising outcomes. Regression analyses to identify potential for fund raising outcomes and program evaluations in institutions of interest are not yet completed.

## METHODOLOGY

Institutions were selected from among those reporting fund raising information to the Council for Financial Aid to Education (CFAE) for the years 1982-83, 1983-84, and 1984-85. Only institutions reporting for all three years were selected. Public and private institutions of five types (research, doctoral, comprehensive, baccalaureate, and two-year) were studied separately, resulting in ten different types of institutions. The total study group numbered 575, by types and status (public or private) as indicated in Table 1.

Data for fund raising outcomes, institutional characteristics, and fund raising expenditures were collected from published sources and from a mail survey. Correlation coefficients were computed to determine relationships among variables and with fund raising outcomes.

TABLE 1

Institutions by Type and Status

| Type | Status | | TOTAL |
|---|---|---|---|
| | Private | Public | |
| Research | 27 | 23 | 50 |
| Doctoral | 24 | 52 | 76 |
| Comprehensive | 116 | 66 | 182 |
| Baccalaureate | 192 | 25 | 217 |
| Two-year | 27 | 23 | 50 |
| TOTAL | 386 | 189 | 575 |

Operational definitions and sources of data for fund raising outcomes and institutional characteristics are as follows:

Voluntary Support: three-year average of total dollars minus amounts from religious or other organizations [Voluntary Support of Education (VSE) for years 1982-83, 1983-84, and 1984-85].

Alumni Gifts: three-year average of total dollars [VSE].

Non-Alumni Individual Gifts: three-year average of total dollars [VSE].

Corporation Gifts: three-year average of total dollars [VSE].

Foundation Gifts: three-year average of total dollars [VSE].

Educational and General Expenditures: institutional non-capital expenditures, excluding auxiliary enterprises; three-year average of total dollars [VSE].

Endowment: three-year average of total dollars for market value of endowment [VSE].

Enrollment: full-time enrollment for 1984-85 [VSE].

Alumni of Record: total living alumni for 1984-85 [VSE].

Status: private or public, as reported in VSE.

Type: kind of institution, classified as doctoral, comprehensive, baccalaureate, or two-year; institutions belonging to the Association of American Universities (AAU) were separated from doctoral institutions to form "research" type [VSE].

Tuition: dollar amount of full-time annual undergraduate tuition for 1985-86 [HEP 87 Higher Education Directory (HEP)].

Age: year institution was founded [HEP] subtracted from 1986.

Selectivity Rating: ratings for selectivity in admissions where "8" = highest selectivity and "1" = no selectivity [Cass & Birnbaum, Comparative Guide to American Colleges (CGAC)].

Graduates to Graduate/Professional School: percentage of graduates attending graduate/professional school [CGAC].

Expenditures per Student: total institutional budget divided by current enrollment [calculated from VSE data].

Regional--Corporations: rating for regional potential for support from corporations based on how many of the country's top 573 corporations are located in the institution's state [Taft Corporate Giving Directory ].

Regional--Foundations: rating for regional potential for support from foundations based on how many of the country's top 502 foundations are located in the institution's state [Taft Foundation Reporter].

Data for the following variables were collected by means of a mail survey of vice presidents for development:

Fund Raising Expenditures: dollars spent in last fiscal year for direct fund raising expenses, in total, and for separate donor groups.

Fund Raising Staff: number of current staff engaged in direct fund raising activities, in total, and for separate donor groups.

## FINDINGS TO DATE

### Description of Study Group

Institutions in the study constitute a highly diverse group, with ranges on all variables from the highest to be found in the country to the lowest. Table 2 contains ranges and medians for all variables for the total study group. (Separate tables containing ranges and medians for institutions by type are available from the authors.)

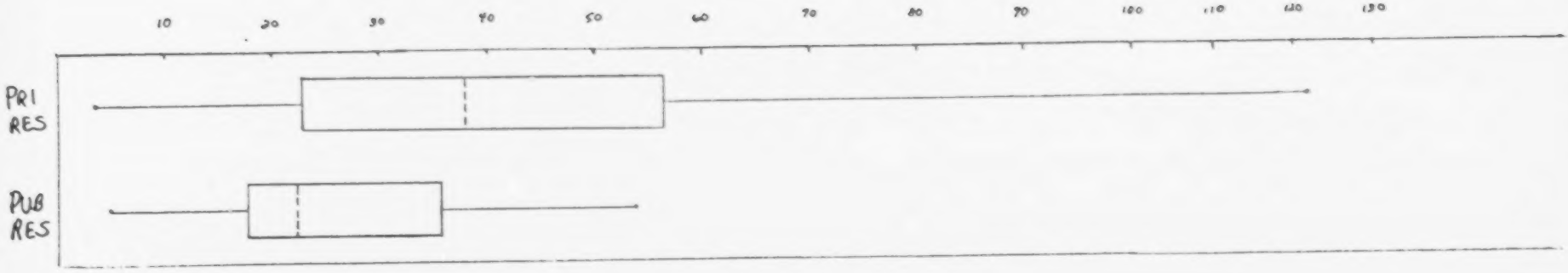
As indicated, total voluntary support for these institutions ranged from $121.3 million to $20,218. Total fund raising expenditures ranged from $6.8 million to $200. Private and public research universities, representing only 8.7% (n = 50) of the study group, garnered 56.5% of total voluntary support reported and spent 36.8% of the total dollars expended for direct fund raising activities.

The following figures display ranges and medians for total voluntary support for all types of institutions. The total range, interquartile range, and median are displayed for each type. The range indicates the highest and lowest amount of voluntary support found in each type; the interquartile range (boxed area) indicates the range for the middle 50% of institutions in that type. For instance, as in Figure 1, the highest reported amount of total voluntary support for any private research university was above $120,000,000; the lowest was below $5,000,000. However, 50% of all private research universities had totals of voluntary support between about $57,000,000 and $23,000,000. The median indicates that half the institutions of this type had totals higher than $39.2 million and half had totals lower than this amount.

TABLE 2

MEDIANS AND RANGES FOR ALL VARIABLES: TOTAL STUDY GROUP

| VARIABLE | MEDIAN | RANGE HIGH | LOW |
|---|---|---|---|
| Voluntary Support | 1,789,437 | 121,367,394 | 20,218 |
| Alumni Gifts | 408,623 | 48,893,320 | 0 |
| Non-Alumni Gifts | 503,736 | 23,201,863 | 0 |
| Corporation Gifts | 275,057 | 30,094,312 | 0 |
| Foundation Gifts | 257,057 | 30,423,825 | 0 |
| Endowment | 5,941,415 | 2,648,620,135 | 0 |
| Institutional Budget | 15,441,750 | 703,658,008 | 204,890 |
| Alumni of Record | 15,670 | 306,395 | 190 |
| Enrollment | 3,185 | 62,266 | 207 |
| Age | 100 | 351 | 15 |
| Tuition | 5,255 | 14,500 | 100 |
| Selectivity | 1 | 8 | 1 |
| % Grads. to Grad. Sch. | 24 | 93 | 1 |
| Expenditures/Student | 5,865 | 58,989 | 586 |
| Alum Gifts % Vol Supp | 24 | 86 | 0 |
| Non Alum Gifts % Vol Supp | 28 | 98 | 0 |
| Corp Gifts % Vol Supp | 20 | 91 | 0 |
| Fdn Gifts % Vol Supp | 16 | 100 | 0 |
| Fund Raising Exps. | 325,806 | 6,762,054 | 200 |
| Fund Raising Staff | 7.5 | 150 | 1 |




boxed area - middle 50% of institutions

| - median

Figure 1: Total Voluntary Support for Research Universities

Figure 2 displays similar information about voluntary support for the remaining eight types. Appendix A contains additional figures which display similar data for separate donor groups in all types of institutions.

The figures indicate the following:

1. private institutions in each type, on the average, reach higher levels of total gifts and gifts from major donor groups, with one exception: the median for corporation gifts is higher for public research universities than for private research universities.

2. on the continuum of institutions from the research type to the two-year type, which may be thought of as representing decreasing complexity of mission, more complex types, on the average, reach higher levels of total gifts and gifts from major donor groups, with the following exceptions:

   a. private baccalaureate (less complex) institutions reach higher levels for total gifts and for gifts from alumni, non-alumni, and foundations than public comprehensive (more complex) institutions; and

   b. private two-year (less complex) institutions reach higher levels for total gifts and for gift from non-alumni and foundations than public baccalaureate (more complex).

Data for fund raising expenditures and staff were obtained by a mail survey in which total response rate (to date) was 374 (65%); 311 questionnaires (54.1%) provided usable data. Items on the questionnaire were designed to obtain two measures of resources for fund raising: actual dollars spent and number of staff. A total of 279 questionnaires provided a dollar figure for total fund raising expenditures; 306 provided information about total number of staff. Among all private

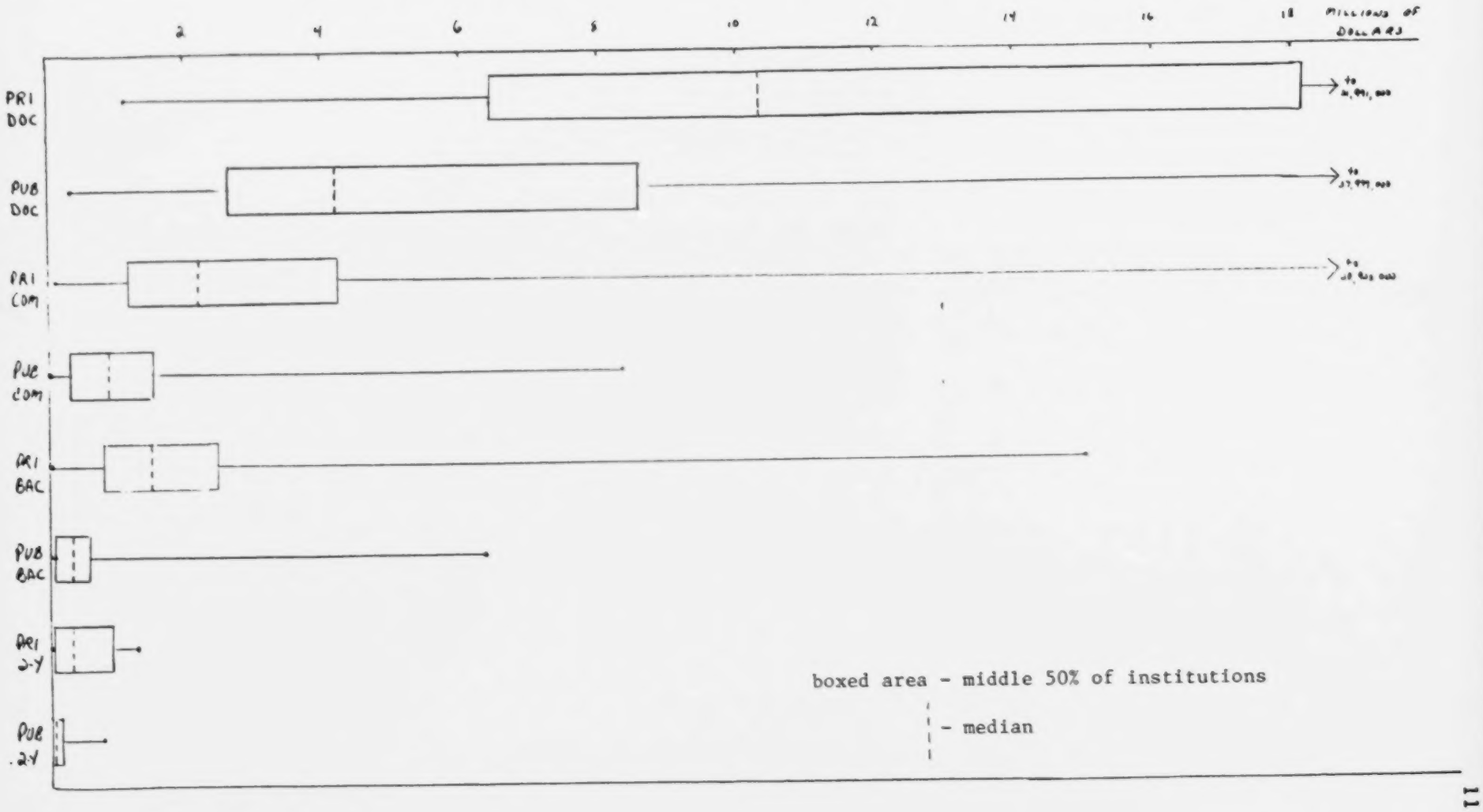



Figure 2: Total Voluntary Support for 8 Types of Institutions

institutions, the response rate was 52.3% and, for all public institutions, 57.7%. For individual types of institutions, the response rate varied from 73.1% (public doctoral) to 40.7% (private research).

Although the survey responses to date contain fund raising expenditure information for slightly more than half of the institutions in the study, the above percentages indicate that fund raising expenditure data is distributed relatively evenly across all types of institutions.

Figure 3 shows ranges, interquartile ranges, and medians for total fund raising expenditures in all types of institutions. The pattern for expenditures among types of institutions generally approximates the pattern for total voluntary support among types of institutions.

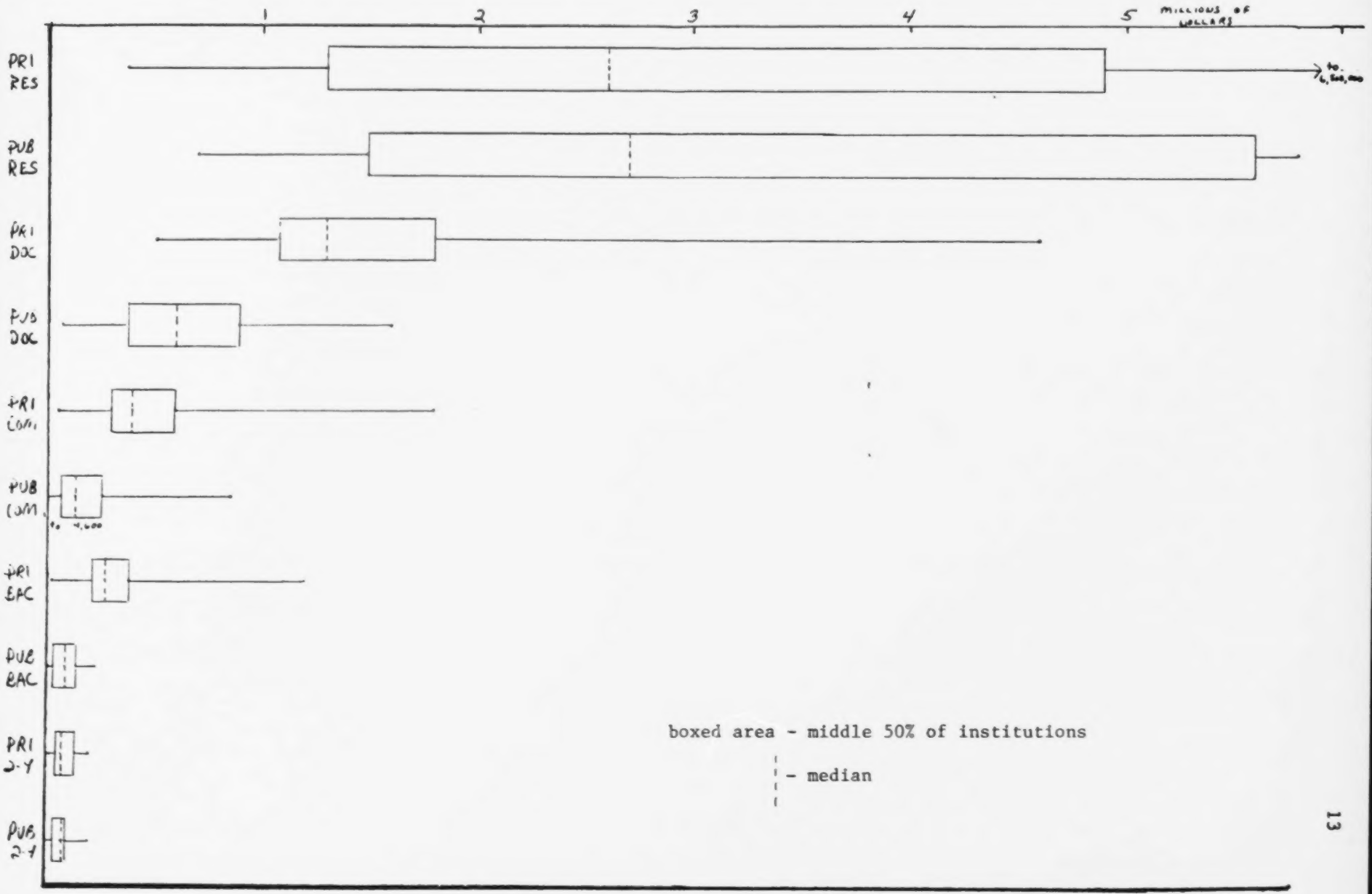
Table 3 contains medians for gifts, fund raising expenditures, and fund raising staff for separate donor groups by type of institution. This table indicates generally how gifts, expenditures, and staff vary by donor groups and by types across all institutions, and demonstrates specifically that:

1. private institutions of each type achieve higher levels of support from each donor group (with the exception of corporation gifts to public research institutions, for which there is a higher median than for private research);

2. alumni gifts by types decrease far more rapidly in public institutions than in private;

3. expenditures for alumni gifts have higher medians than for other donors in seven types of institutions;

4. public comprehensive and public two-year institutions have higher medians for non-alumni gifts than for alumni gifts; and






17 **Figure 3: Fund-Raising Expenditures for All Types of Institutions**

Table 3

Median Gifts, Fund Raising Expenditures, and Fund Raising Staff

| Type of Institution | DONOR GROUP | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ALUMNI | | | NON-ALUMNI | | | CORPORATIONS | | | FOUNDATIONS | | |
| | Gifts | FR Exps. | Staff | Gifts | FR Exps. | Staff | Gifts | FR Exps. | Staff | Gifts | FR Exps. | Staff |
| PRI RES | 10,798,700 | 986,446 | 27.5 | 8,608,484 | 375,237 | 27.5 | 7,927,577 | 232,589 | 6.5 | 9,975,036 | 197,566 | 4.9 |
| PUB RES | 4,967,835 | 1,366,599 | 27.2 | 3,353,353 | 1,055,330 | 14.7 | 9,062,227 | 233,448 | 6.2 | 3,793,120 | 100,000 | 2.0 |
| PRI DOC | 2,819,577 | 653,379 | 23.0 | 2,631,366 | 95,000 | 3.5 | 2,485,352 | 68,500 | 2.7 | 1,359,635 | 56,500 | 2.4 |
| PUB DOC | 871,188 | 315,000 | 5.3 | 1,144,977 | 152,926 | 3.0 | 1,657,498 | 67,957 | 2.0 | 581,124 | 22,991 | 1.3 |
| PRI COM | 536,884 | 168,000 | 3.0 | 666,947 | 67,306 | 2.4 | 308,144 | 37,000 | 1.5 | 354,906 | 39,190 | 1.0 |
| PUB COM | 85,213 | 23,100 | 2.0 | 166,759 | 51,731 | 2.0 | 160,302 | 23,379 | 0.9 | 52,774 | 14,597 | 0.8 |
| PRI BAC | 396,701 | 94,308 | 2.4 | 485,275 | 71,621 | 2.0 | 301,443 | 31,036 | 1.0 | 449,664 | 31,000 | 1.0 |
| PUB BAC | 30,984 | 29,511 | 1.4 | 43,432 | 18,255 | 0.6 | 72,458 | 19,761 | 1.0 | 29,575 | 7,133 | 0.7 |
| PRI 2-Y | 53,169 | 30,375 | 1.1 | 140,081 | 30,000 | 0.9 | 63,538 | 20,291 | 0.5 | 36,669 | 6,000 | 0.5 |
| PUB 2-Y | 895 | 9,931 | 0.6 | 18,133 | 18,047 | 0.6 | 33,200 | 10,958 | 0.3 | 22,000 | 4,620 | 1 |

5. expenditures for foundation gifts have the lowest medians in eight types.

The patterns for fund raising staff by donor groups approximates the pattern of expenditures for groups by types of institution.

Correlations for Total Voluntary Support

Table 4 contains the correlation coefficients for total voluntary support with institutional characteristics, fund raising expenditures, and fund raising staff. The institutional characteristic most highly correlated with total voluntary support is endowment, at .840. Other institutional characteristics with high positive correlations to total voluntary support are educational and general expenditures (.826), expenditures per student (.668), alumni of record (.660), and type of institution (.605). Three of these variables (endowment, educational and general expenditures, and expenditures per student) are measures of institutional wealth. A related variable, tuition, has a weak correlation with total voluntary support at .270.

Age and size of institution individually are not as strongly correlated with voluntary support as when considered together as alumni of record, which is highly correlated with total voluntary support. Type of institution is highly correlated with total voluntary support; this probably is a performance factor (i.e., a reflection of how effective fund raising activities are in a given institution) as well as an institutional factor since the range of total voluntary support within types is great.

Measures of institutional quality are expenditures per student, with a high correlation of .668, selectivity, with a more moderate correlation of .575, and graduates proceeding to graduate school, with a relatively low correlation at .370.

TABLE 4

CORRELATION COEFFICIENTS FOR TOTAL VOLUNTARY SUPPORT
WITH INSTITUTIONAL CHARACTERISTICS & FUND RAISING RESOURCES

| | VS | Q1 | Q2 | Q3 | AGE | EG | END | AR | ST | TY | TU | ENR | %C | %F | FRE | FTE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| VS | 1.000 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Q1 | 0.575 | 1.000 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Q2 | 0.370 | 0.504 | 1.000 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Q3 | 0.668 | 0.651 | 0.418 | 1.000 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| AGE | 0.376 | 0.407 | 0.245 | 0.297 | 1.000 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| EG | 0.826 | 0.383 | 0.302 | 0.564 | 0.221 | 1.000 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| END | 0.840 | 0.507 | 0.301 | 0.673 | 0.394 | 0.570 | 1.000 | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| AR | 0.660 | 0.289 | 0.249 | 0.321 | 0.291 | 0.892 | 0.338 | 1.000 | --- | --- | --- | --- | --- | --- | --- | --- |
| ST | 0.005 | 0.217 | 0.064 | 0.175 | 0.241 | 0.308 | 0.114 | 0.371 | 1.000 | --- | --- | --- | --- | --- | --- | --- |
| TY | 0.605 | 0.376 | 0.381 | 0.445 | 0.265 | 0.715 | 0.398 | 0.720 | 0.254 | 1.000 | --- | --- | --- | --- | --- | --- |
| TU | 0.270 | 0.602 | 0.229 | 0.466 | 0.398 | 0.051 | 0.332 | 0.123 | 0.796 | 0.039 | 1.000 | --- | --- | --- | --- | --- |
| ENR | 0.472 | 0.104 | 0.125 | 0.115 | 0.095 | 0.789 | 0.173 | 0.866 | 0.557 | 0.654 | 0.349 | 1.000 | --- | --- | --- | --- |
| %C | 0.056 | 0.136 | 0.078 | 0.090 | 0.014 | 0.086 | 0.048 | 0.073 | 0.052 | 0.052 | 0.144 | 0.041 | 1.000 | --- | --- | --- |
| %F | 0.017 | 0.124 | 0.119 | 0.075 | 0.031 | 0.060 | 0.033 | 0.040 | 0.032 | 0.051 | 0.093 | 0.016 | 0.804 | 1.000 | --- | --- |
| FRE | 0.797 | 0.517 | 0.456 | 0.572 | 0.312 | 0.701 | 0.577 | 0.690 | 0.015 | 0.583 | 0.226 | 0.472 | 0.097 | 0.022 | 1.000 | --- |
| FTE | 0.834 | 0.572 | 0.439 | 0.606 | 0.316 | 0.713 | 0.637 | 0.660 | 0.007 | 0.600 | 0.250 | 0.441 | 0.060 | 0.027 | 0.907 | 1.000 |

KEY:

VS - TOTAL VOLUNTARY SUPPORT
Q1 - ADMISSIONS SELECTIVITY
Q2 - % GRADUATES TO GRAD/PROF SCH
Q3 - EXPENDITURES PER STUDENT
AGE - AGE OF INSTITUTION
EG - EDUCATIONAL & GENERAL EXPENSES
END - ENDOWMENT
AR - ALUMNI OF RECORD
ST - PUBLIC OR PRIVATE
TY - TYPE OF INSTITUTION
TU - TUITION
ENR - ENROLLMENT
%C - CORPORATIONS IN STATE
%F - FOUNDATIONS IN STATE
FRE - FUND RAISING EXPENDITURES
FTE - FUND RAISING STAFF

The correlation of total voluntary support with regional variables are surprisingly low (.102 for percent of corporations and .177 for percent of foundations) since it is widely believed that geographical proximity to major corporations and foundations enhances fund raising potential. Although the data indicate that there are many institutions in states with high numbers of corporations and foundations which do not seem to benefit from this geographical proximity, an alternative explanation for these low coefficients is that a measure of corporation/foundation "density" by state is too coarse to reveal the impact of tighter regional restrictions, such as by county or city.

Status, that is, whether an institution is private or public, has almost no correlation by itself with total voluntary support, since ranges are very large for all private and all public institutions across all types.

Total voluntary support for all institutions is highly correlated with fund raising expenditures (.797) and fund raising staff (.834).

Correlations for Separate Donor Groups

Table 5 contains correlation coefficients by donor group for institutional characteristics, fund raising expenditures, and fund raising staff. Although the institutional characteristics strongly related to total voluntary support are also highly correlated with gifts from each major donor, some differences occur regarding the relationships of institutional characteristics and gifts from different donor groups. For instance:

1. coefficients for endowment with separate donor groups range from a high of .908 alumni gifts to .647 for corporation gifts;

Table 5

Correlation Coefficients for Institutional Characteristics, Donor Groups, and Fund Raising Resources

| | DONOR GROUP | | | |
|---|---|---|---|---|
| Variable | ALUM | NAI | CG | FG |
| Inst'l Chars. | | | | |
| END | .908 - | -.685 | .647 | .817 |
| EG | .614 | .714 | .888 | .734 |
| Q3 | .668 | .618 | .601 | .677 |
| AR | .512 | .588 | .753 | .536 |
| TY | .485 | .564 | .621 | .543 |
| Q1 | .601 | .501 | .458 | .533 |
| ENR | .284 | .423 | .606 | .385 |
| AGE | .454 | .289 | .277 | .325 |
| Q2 | .347 | .357 | .312 | .367 |
| TUI | .349 | .263 | .103 | .279 |
| %C | .032 | .078 | .054 | .050 |
| %F | .017 | .044 | .030 | .035 |
| ST | .084 | .044 | .127 | .045 |
| Other Donors | | | | |
| AG | --- | .722 | .703 | .826 |
| NAI | .722 | --- | .756 | .817 |
| CG | .703 | .756 | --- | .828 |
| FG | .826 | .817 | .828 | --- |
| FR Resources | | | | |
| EXPS. | .761 | .562 | .556 | .404 |
| STAFF | .678 | .615 | .621 | .563 |

2. coefficients for expenditures per student for all donor groups are very similar and range from .677 to .601;

3. coefficients for educational and general expenditures for all donor groups range from a high of .888 (corporation gifts) to .614 (alumni gifts);

4. coefficients for selectivity range from .608 (alumni gifts) to .458 (corporation gifts);

5. coefficients for alumni of record range from .753 (corporation gifts) to .512 (alumni gifts);

6. coefficients for type range from .621 (corporation gifts) to .485 (alumni gifts);

7. coefficients for enrollment range from .606 (corporation gifts) to .284 (alumni gifts);

8. coefficients for age range from .454 (alumni gifts) to .277 (corporation gifts);

9. coefficients for graduates attending graduate school are very similar and range from .367 to .312;

10. coefficients for tuition range from .349 (alumni gifts) to .103 (corporation gifts);

11. coefficients for status, % corporations, and % foundations for all donor groups are below .1.

This analysis of correlation indicates that the two most dissimilar donor groups are alumni and corporations, which, nevertheless, have a correlation coefficient of .703.

Coefficients among other donor groups are also high, up to .828 for corporation and foundation gifts. These figures confirm what

practitioners have long known (Loessin, Duronio, & Borton, 1986); that is, fund raising outcomes from one donor group are influenced by outcomes with other donor groups.

Although the correlation between total fund raising expenditures and total voluntary support is strong (.797), among donor groups, only alumni expenditures and gifts are strongly correlated. Correlations for expenditures and other donor groups are moderate to low (non-alumni - .562, corporations - .556, and foundations - .404). Correlations for fund raising staff and gifts are high (.678 for alumni) to moderate (.563 for foundations).

Contrasted with correlations for institutional characteristics, correlations for fund raising expenditures generally are much lower than those for several institutional characteristics for each donor group, with the exception of alumni gifts, in which the correlation for fund raising expenditures is second only to endowment.

As might be expected, the correlation coefficients of expenditures and staff by donor groups are all nigh (above .9 except for the lowest: alumni gifts and fund raising expenditures at .766).

Comparisons with Previous Research

The pioneering work of J. Leslie in 1969 to identify "yardsticks" for measuring effectiveness in fund raising was largely concerned with various analyses of fund raising costs and dimensions of fund raising programs and less concerned with institutional characteristics. Leslie's initial research (1969) and follow-up reports (1979) found high correlations of gift income and fund raising expenditures, but no clear relationships between educational and general expenditures and gift income.

Pickett's (1977, 1982) research involved the study of 12 variables believed to be associated with fund raising outcomes in 200 institutions described as private undergraduate colleges. Regression analyses indicated that four of these variables were important in predicting voluntary support for private undergraduate institutions: endowment, number of alumni, cost of attendance, and graduate school attendance of alumni. Using these variables he developed an equation which explained 69% of the variance in gift income. Present results are consistent with Pickett's findings that endowment and alumni of record have high positive correlations with total voluntary support. The other two variables of importance in Pickett's study, graduates proceeding to graduate school and tuition, had weak correlations for total voluntary support in the present study. The variables of less importance in Pickett's results, among them, regional factors, age, and enrollment, are also less important in the present study.

L. Leslie and Ramey (1985) studied only research universities in the only other research to date to examine the relationship of institutional characteristics and fund raising outcomes by donor groups. Their study indicated that individuals and organizations responded positively to institutional size; in the present study enrollment is weakly correlated with all donor groups but corporations (.606). Leslie and Ramey found that alumni donors responded positively to age of institution; this study found a moderately low correlation for alumni with age.

Non-alumni individuals responded positively to expenditures per student in the Leslie and Ramey study; the correlation of those variables in this study is moderately high at .618. The earlier study found that organizations responded positively to expenditures per

student and endowment; present results indicate moderately high correlations for corporation and foundation donors (.601 and .677 respectively) with these variables.

Differences between earlier findings and those of the present study could be the result of differences in the study groups.

Discussion of Findings

Endowment and educational and general expenditures are the institutional characteristics most highly correlated with total voluntary support. Endowment is a measure of institutional wealth but in part is also, as Pickett (1982) has suggested, a measure of fund raising tradition and past success. The relatively low correlation of endowment with fund raising expenditures (.577) may indicate that history and tradition begin to take the place of actual dollars invested in fund raising.

Educational and general expenditures, also a measure of economic strength of the institution, is a complex factor combining aspects of institutional size, wealth, and quality, as well as regional cost-of-living aspects. Educational and general expenditures provide a measure of current resources to expend in the provision of programs and services as well as to invest for direct fund raising activities.

Although the correlation coefficient for total institutional expenditures and total expenditures for fund raising is understandably high (.701), this correlation nevertheless suggests that decisions about resource allocation to fund raising are affected by factors other than total institutional budget.

Endowment and educational and general expenditures have moderately high to high correlations with gifts from separate donor groups,

reflecting different patterns of relationships. Therefore, examination of total voluntary support with other variables is less meaningful than separate analysis of donor groups, indicating that Paton's (1985) concern regarding "inappropriate aggregation" was well-founded.

Alumni gifts. Alumni gifts are most highly correlated with endowment (.908), expenditures per student (.668), educational and general expenditures (.614), and admissions selectivity (.608). The very high correlation of alumni gifts and endowment suggests that a well-established tradition is the strongest factor in alumni giving. There is a considerable decrease in strength of relationship for other institutional characteristics with alumni gifts. Expenditures per student and admissions selectivity have been identified as measures of institutional quality. The relatively high correlations of these variables with alumni gifts may reflect the economic status of alumni themselves as well as the quality of the institution, since students from wealthier families are more likely to attend institutions of higher quality.

The relationship of fund raising expenditures and alumni giving (.761) is the strongest for all donor groups between gifts and fund raising expenditures. If dollars spent implies level of activity or contact with donors, as well as volume of solicitation, this correlation suggests that alumni gifts are the most likely to be influenced by high volume efforts. This, in turn, implies that a tradition of alumni giving in itself is not enough; alumni must be regularly prompted and encouraged to give.

Non-alumni individual gifts. Gifts from this donor group are most highly correlated with general expenditures (.714), endowment (.685), and expenditures per student (.618). This is the most obscure, least

well-defined donor group; it is not clear how non-alumni gifts are related to these institutional characteristics. Non-alumni gifts are more highly correlated with gifts from other donors than with any institutional characteristic or fund raising resource variable.

The correlation of fund raising expenditures and total non-alumni individual gifts (.563) also does not explain what influences gifts from these donors. Further research is necessary to identify who non-alumni donors at various institutions in fact are, as well as to describe what systematic means are used to solicit such donors. Many schools have successful parent and faculty/staff solicitation programs, but levels for total non-alumni gifts are not fully accounted for by these programs.

Corporation gifts. Corporation gifts are most highly correlated with general expenditures (.888), alumni of record (.753), endowment (.647), type of institution (.621), enrollment (.606), and expenditures per student (.607). The very strong relationship between corporation gifts and general expenditures may indicate that higher levels of corporation giving reflect an institution's capacity to accomplish specific objectives. The correlation coefficient for corporation gifts and fund raising expenditures is moderate at .556. This correlation and the high correlation with general expenditures together suggest that the specificity of the request for voluntary support and the demonstration of the capacity to perform are more important to success than volume of requests.

Corporation gifts have higher correlation coefficients with alumni of record and enrollment than any other donor group, suggesting that corporation donors are more influenced by size of institution than other donors.

The pattern of relationships of institutional characteristics and corporation gifts may indicate that corporation donors expect a more tangible return on investment than other donor groups, either in products, accomplished objectives, or potential employees. This suggests that market analysis is more critical for this donor group than for any other.

Foundation gifts. Gifts from foundations are most highly correlated with endowment (.817), general expenditures (.734), and expenditures per student (.677). The very high correlation with endowment (higher than for any donor group but alumni) indicates that tradition and past fund raising success are important in securing foundation gifts. Foundation gifts have the lowest correlation of all donors with fund raising expenditures (.404), suggesting that volume of requests is not as important as the quality and specificity of the request.

Correlation coefficients for foundation gifts with other donors are all above .8 and are higher than those with any institutional characteristic (except for endowment). This may suggest that foundation donors are the donors most influenced by success with other donor groups. Although corporation gifts and foundation gifts are highly correlated at .828, the pattern of correlation with institutional characteristics is not similar for these two donor groups. In many schools and much of the literature, foundation and corporation donors are treated as a single entity called "organizations." Dissimilar patterns of correlations with institutional characteristics cannot fully be explained without further information, but do suggest that gifts from these groups of organizations are influenced by different factors.

## CONCLUSIONS AND FUTURE DIRECTIONS

In general, the findings of this research to date support and confirm much of what practitioners know from experience about how to carry out successful fund raising with separate donor groups. While this confirmation is important in itself, the real value of these findings is in the foundation provided for further research.

The results to date, as well as the description of the total study group, indicate strongly that the term "total voluntary support" is a concept of limited usefulness in the evaluation of fund raising effectiveness because the relationships of institutional characteristics and resources for fund raising vary for separate donor groups in different types of institutions. Additionally, these results indicate that both certain institutional characteristics (endowment, educational and general expenditures, expenditures per student, alumni of record, and type, in particular) and resources invested in fund raising are important factors in fund raising outcomes.

The next step in this research will be to develop equations for predicting voluntary support in which the influence of institutional characteristics and resources for fund raising are considered. Predicted values for voluntary support by donor groups will be compared to actual gift totals. Up to 25 institutions will be selected from those in which fund raising performance exceeds or falls below the prediction. Further study of these institutions is for the purpose of identifing, describing, and comparing general characteristics of fund raising programs.

Finally, characteristics of fund raising programs will be included in the prediction model. At that time, it will be possible to discuss

the relative and combined influence of institutional characteristics, fund raising resources, and fund raising methods and to make recommendations for policy regarding planning, resource allocation, and evaluation of fund raising practices and outcomes.

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# APPENDIX A

## Gifts by Donor Group

## for Each Type of Institution

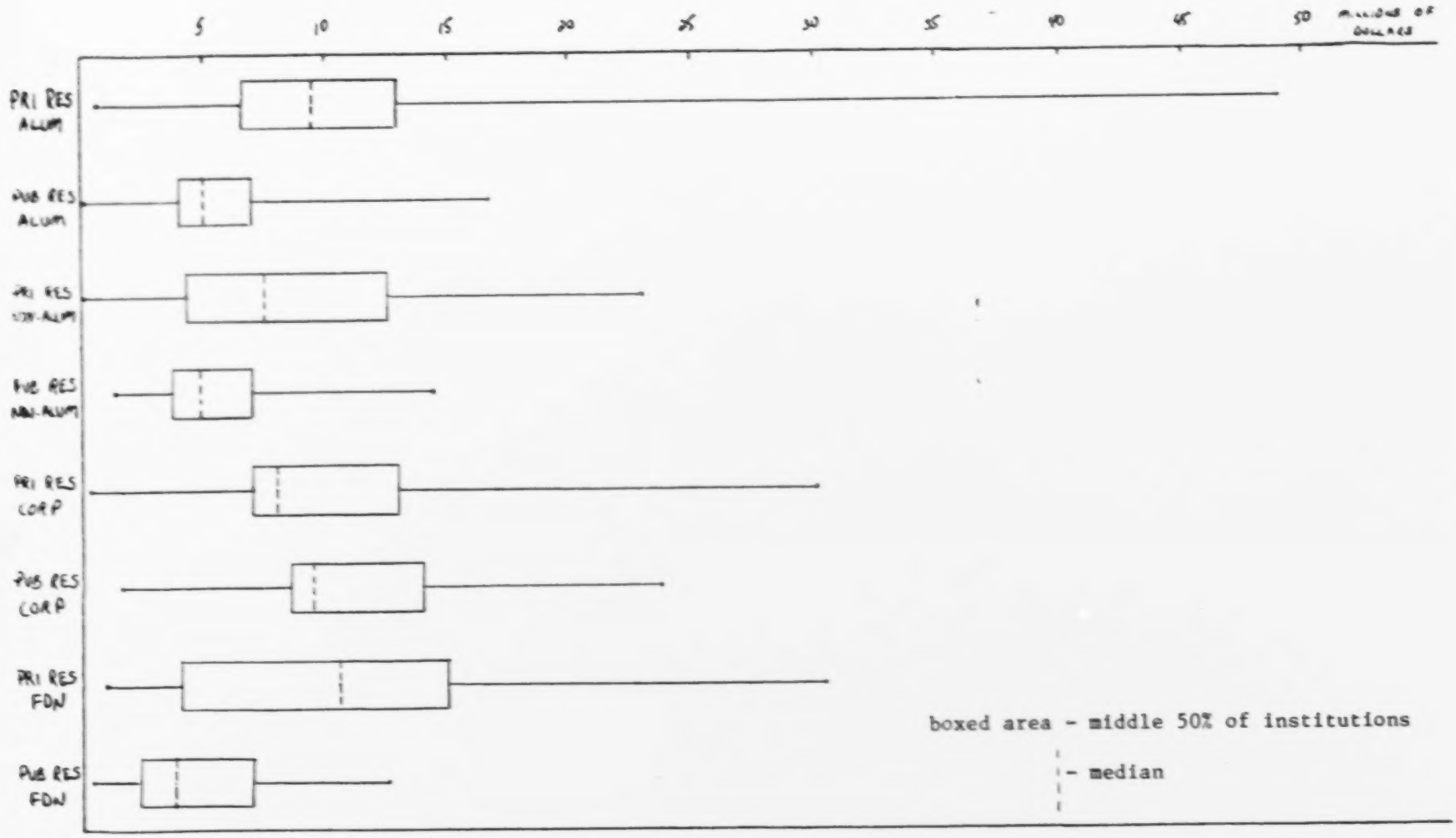





Figure 4: Gifts by Donor Group for Research Universities

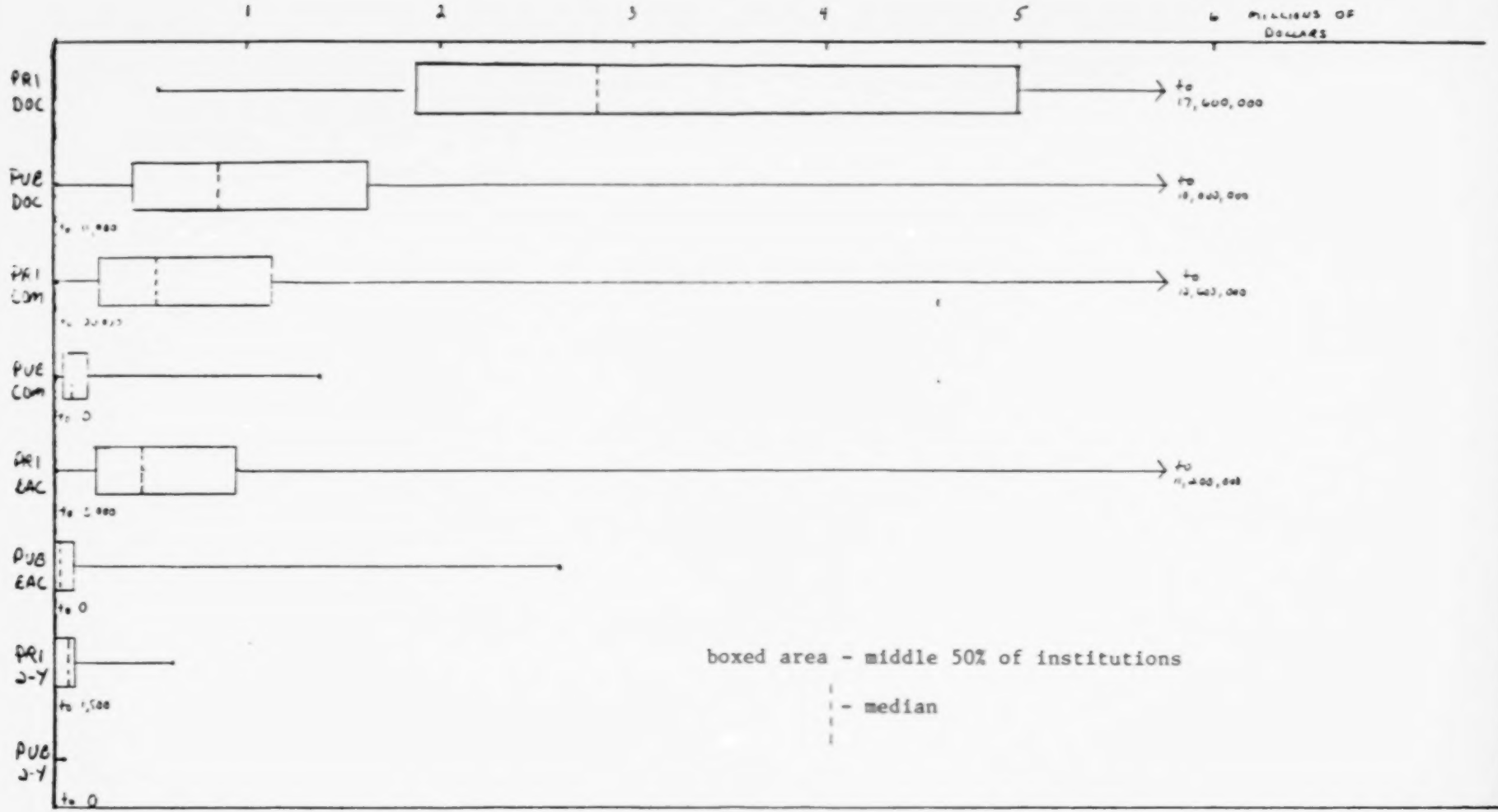







Figure 5: Alumni Gifts for 8 Types

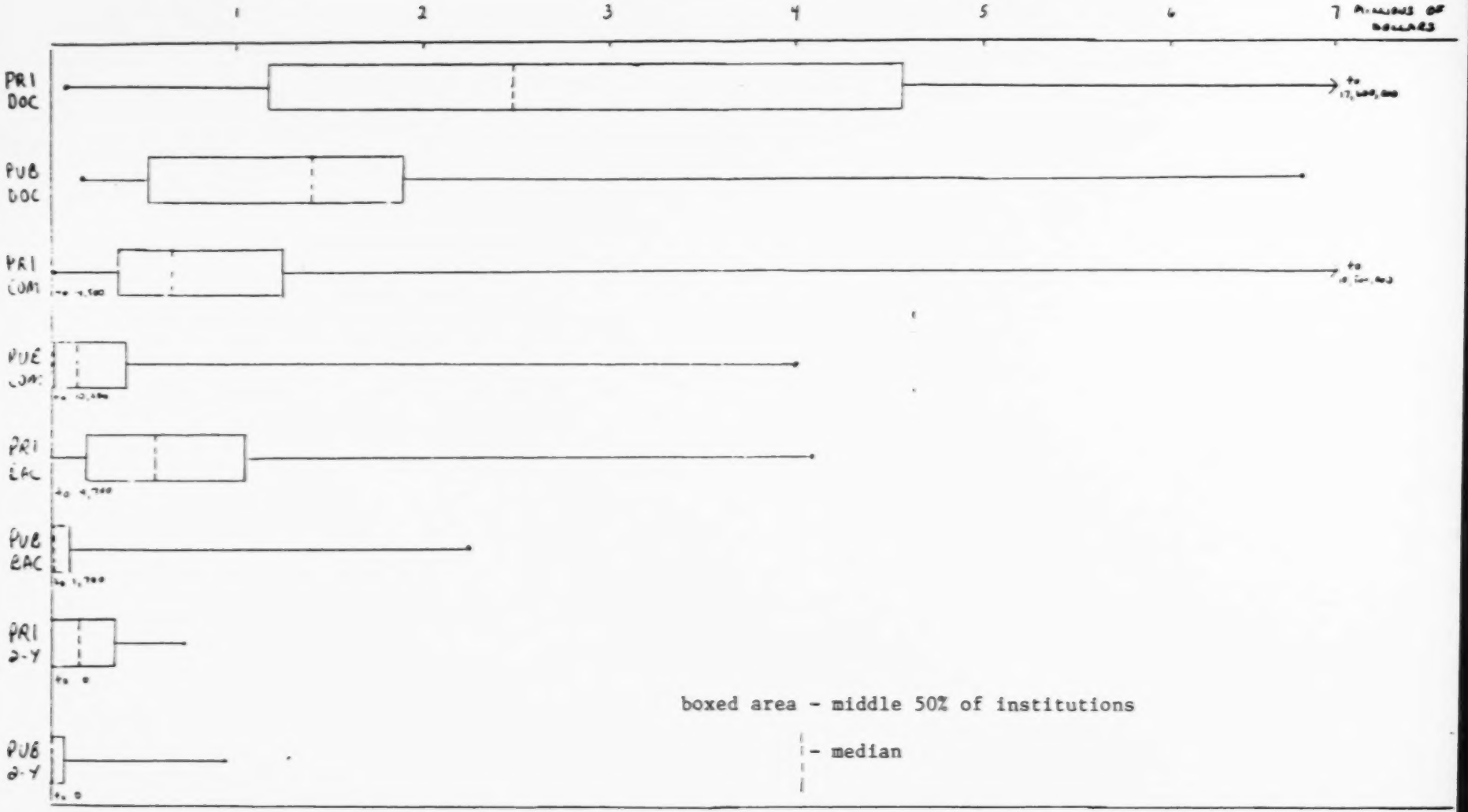
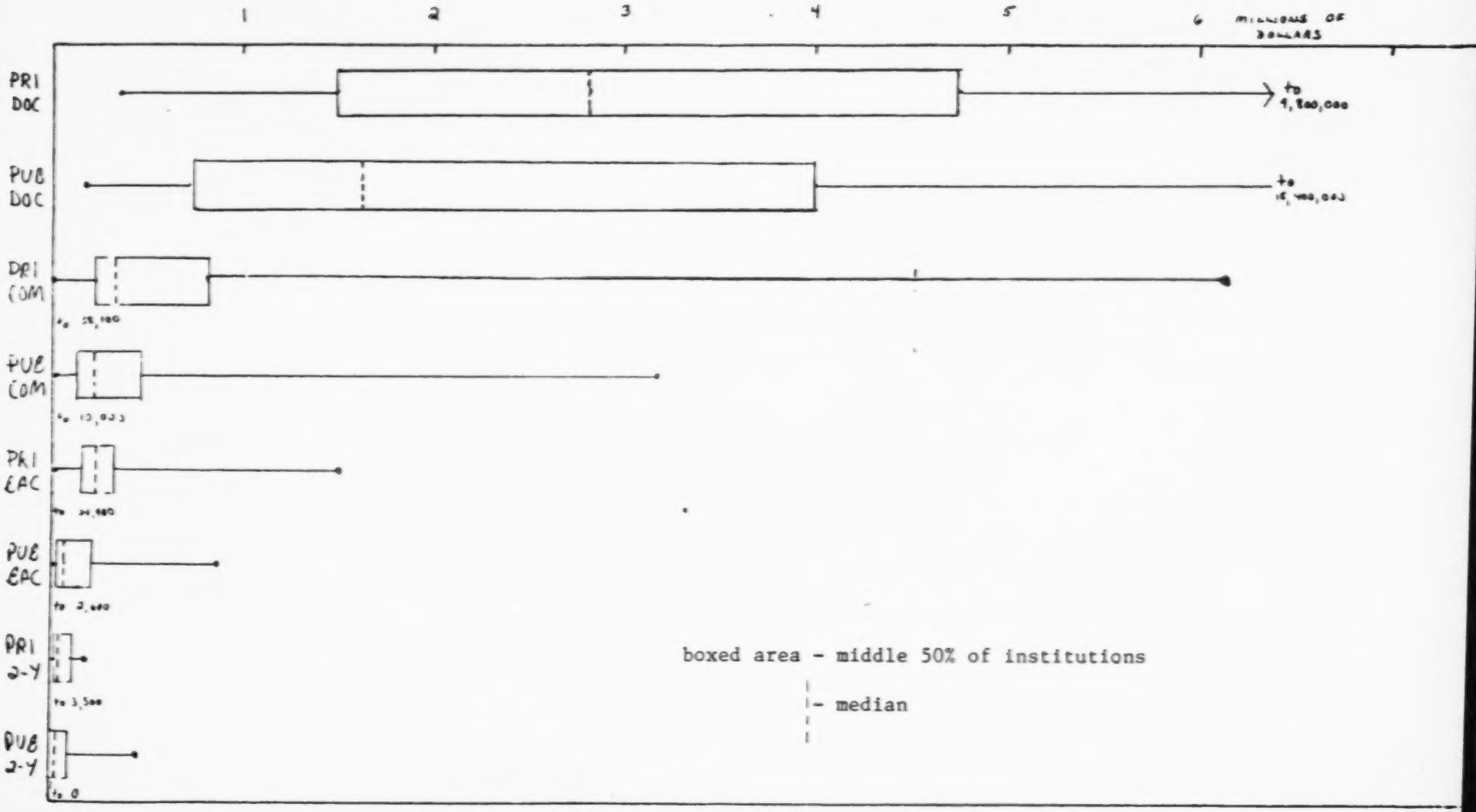



Figure 6: Non-Alumni Gifts for 8 Types




44 Figure 7: Corporation Gifts for 8 Types

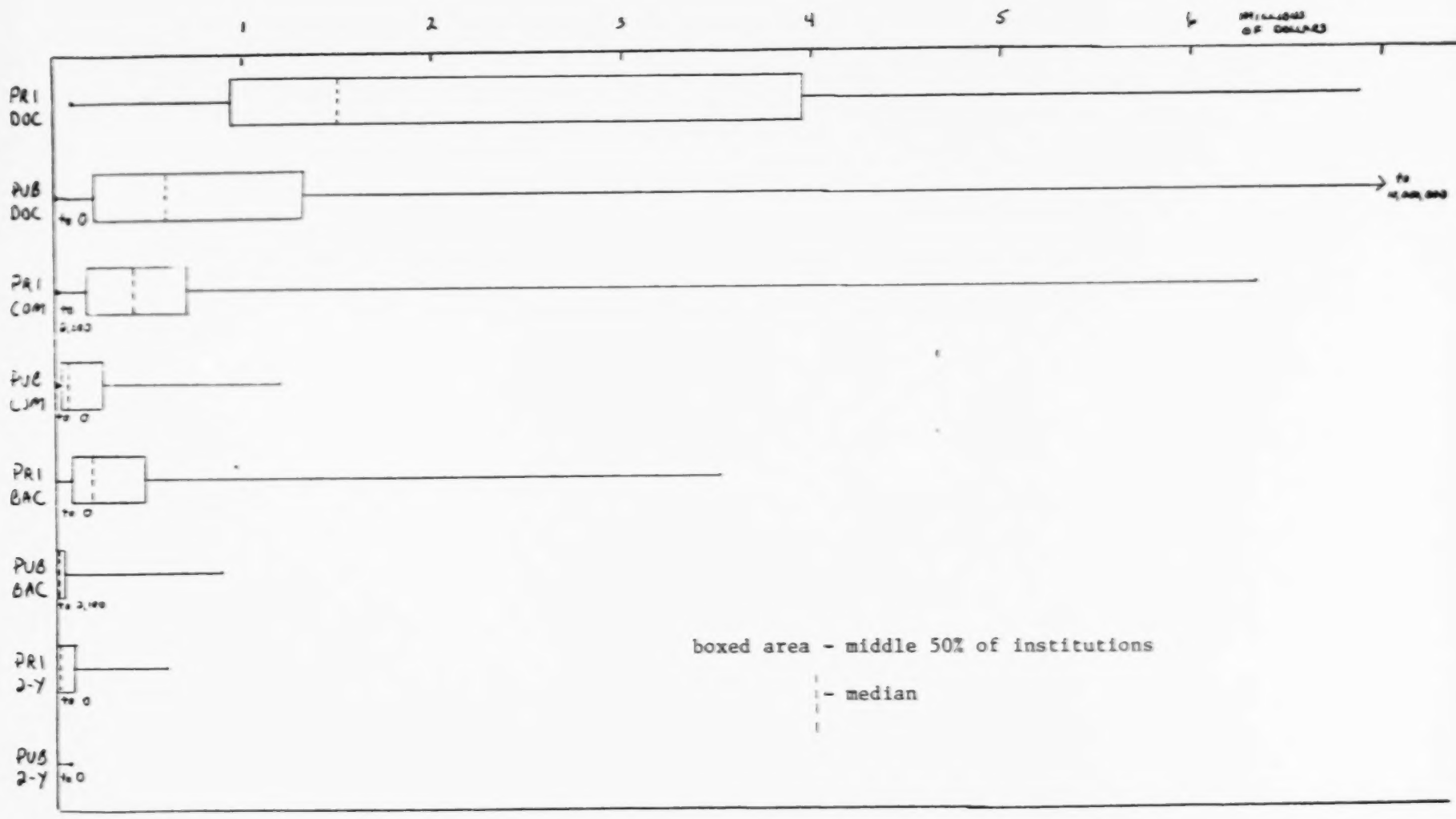



Figure 8: Foundation Gifts for 8 Types